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**USTR AND DEPARTMENT OF COMMERCE ANNOUNCE NEXT STEPS  
ON IMPROVING ACCESS TO THE JAPANESE MARKET FOR FILM**

United States Trade Representative Charlene Barshefsky and Commerce Secretary William Daley today announced a new market opening initiative for imported photographic materials in Japan. "Access to this market has been a longstanding problem, which we are determined to resolve," they stated.

The Administration will establish an interagency monitoring and enforcement committee to review implementation of formal representations made by the Government of Japan last year to a World Trade Organization (WTO) panel regarding its efforts to ensure the openness of its market to imports of film. In its representations to the panel, Japan claimed that it is implementing policies that promote improved foreign access through the elimination of trade barriers and restrictions on competition.

Contrary to the experience of U.S. and other foreign photographic film and paper manufacturers in the Japanese market, the Government of Japan formally stated that it neither restricts foreign imports of foreign photographic film and paper nor does it tolerate restrictive business practices by private firms that would have a similar result. Among other things, it represented that:

- the Japanese distribution system for photographic film and paper is open;
- the Japanese Government actually encourages imports of foreign photographic film and paper;
- the Japanese Government does not tolerate restraints on competition in this sector;

- the Japanese Government prohibits practices that discourage the opening of large stores;
- the Japanese Government does not discriminate against foreign firms in this sector; and
- the Japanese Government does not restrain price competition in the photographic film and paper sector.

By making these statements to a WTO panel, Japan has committed itself before an international tribunal to implement its wholesale and retail distribution measures and enforce its competition laws in a manner consistent with its own representations and findings. While the WTO panel did not comment on the openness of the photographic film and paper market in Japan, the Government of Japan itself made a number of formal representations to the WTO about the current openness of its market. Ambassador Barshefsky said, "Our approach is simple and straightforward: we want Kodak, Agfa, and other foreign producers to put the Government of Japan's formal representations to the test."

The Administration will establish a monitoring and enforcement committee, co-chaired by USTR and the Department of Commerce, to monitor developments in the Japanese photographic materials market. Under the monitoring program outlined by Ambassador Barshefsky and Secretary Daley, the United States will collect and assess data, including the availability of foreign brands in distribution channels in Japan, the number and type of retail stores in Japan carrying photographic products, and the availability, by volume, of foreign brands in these outlets. The committee will report the results on a semi-annual basis, with the first review to be completed by July 1998.

"We view monitoring and enforcement as a top priority and are committed to ensuring that Japan's photographic film and paper market is as open as Japan claims. The establishment of this committee is the most recent example of our agencies working closely together to ensure improved access to foreign markets for American companies," Secretary Daley said.

Kodak is continuing its efforts to gain access to the main distribution channels for film in Japan, and has agreed to work closely with the interagency committee to monitor Japanese implementation of the representations, which the United States regards as market access commitments.

Today the United States provided the Government of Japan with a copy of the attached document, outlining the representations that the United States regards as Japanese Government commitments. "We believe we have a real opportunity to deal with the problems that have most affected the efforts of Kodak, Agfa, and other producers to improve their market access in Japan," Ambassador Barshefsky concluded, and "we look forward to working constructively with the Government of Japan on this market-opening initiative."